



Public Schools of North Carolina
State Board of Education
Department of Public Instruction

Report to the General Assembly

Submitted to

House of Representatives Appropriations Subcommittee on Education

Senate Appropriations Committee on Education

House of Representatives Appropriations Subcommittee on Health and Human Services

Senate Appropriations Committee on Health and Human Services

Education Oversight Committee

Fiscal Research Division

More at Four Pre-Kindergarten Program

*Session Law 2008-107 Section
7.17.(b)*

(House Bill 2436)

Date Due: January 15, 2009

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SL 2008-107 SECTION 7.17.(b) The Office of School Readiness shall develop a plan to tier the local More at Four slots that are in child care facilities, based on child care subsidy market rates. The Office of School Readiness shall report the plan to the House of Representatives Appropriations Subcommittee on Education, the Senate Appropriations Committee on Education, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Education Oversight Committee, and the Fiscal Research Division by January 1, 2009.

Background

The More at Four Pre-kindergarten Program (MAF), currently in its eighth year of operation, will provide high-quality pre-kindergarten services to over 32,000 of North Carolina's four-year-old children in the 2008-09 program year. The program is built upon a diverse system of delivery including public schools, Head Start, and private child care. MAF slots placed in private child care account for 33% of child placements in the current year. The intent of SL2008-107 SECTION 7.17.(b) is to provide adequate funding to private child care to ensure sustainability of their participation in the MAF program.

Benefits of ensuring participation of the private sector in the state-funded pre-kindergarten program

There are numerous benefits associated with participation of private sites in the More at Four Program including, but not limited to:

- increased options for working parents (full day/full year services to include wrap-around care)
- increased capacity for the provision of services (reducing capital costs for the public school sector)
- spillover beneficial effects beyond the children and hours funded by More at Four that reach the entire center impacting readiness for young children
- Increased collaboration among schools, child care providers, and other early care and education programs not only on pre-kindergarten but the full array of supports and services needed by children and their families.

Plan

In response to SL 2008-107 Section 7.17.(b), the funding methodology utilized for the 2008-09 program year was adjusted to reflect the interest of the General Assembly. Individual county MAF slot rates are now supplemented based on the percentage of More at Four children being served in the private sector. Expansion funds were utilized to increase the MAF average funding rate per child from \$4,450 in 2007-08 to the \$5,000 in 2008-09.

2008-09 Slot Rate Methodology

MAF county rates are determined by two factors; 1) relative wealth of a county, and 2) child care subsidy market rates:

- Wealth of a county – utilizing county low-wealth rankings, county rates were determined directing more funding to counties with a lower percentage of wealth.
- Child care subsidy market rates – utilizing a funding weight based on county child care market rates, county MAF rates were supplemented to support each MAF slot placed in the private sector. Supplements were then averaged across all slots within the county. Local differentiation decisions on rates paid to More at Four providers were then made directing more funding to the private sector.

Note: Counties have the option to differentiate rates to individual providers participating in the More at Four Program.

Impact

In effect, this methodology directed more funding to:

- Low-wealth communities,
- Counties with high private sector participation in the More at Four program, and
- Counties with higher child care market rates.

County Examples

1 Mecklenburg County

Mecklenburg County has a MAF market rate weight = 1.39 which is reflective of its child care subsidy market rate relative to other counties. Applying that weight to the MAF base supplement, each private care slot in Mecklenburg generated another \$167 per slot. With 1,022 (60%) slots in the private sector, the Mecklenburg funding allocation was increased by \$170,674.

Mecklenburg's MAF slot rate = \$5,090 per year of which 5% is utilized for administrative purposes. Local differentiation decisions resulted in public rates ranging from \$500 - \$4,400 per year and private rates of \$6,050 per year.

2 Alleghany County

Alleghany County has a MAF market rate weight = 1.099 which is reflective of its child care subsidy market rate relative to other counties. Applying that weight to the MAF base supplement, each private care slot in Alleghany could generate another \$132 per slot. With no slots (0%) in the private sector, the Alleghany funding allocation was not increased. Alleghany's MAF slot rate = \$4,920 per year. No local differentiation decisions occurred as all slots are public.

3 Burke County

Burke County has a MAF market rate weight = 1.00 which is reflective of its child care subsidy market rate relative to other counties. Applying that weight to the MAF base supplement, each private care slot in Burke generated another \$110 per slot. With 53 slots (12%) in the private sector, the Burke funding allocation was increased by \$5,830. Burke's MAF slot rate = \$4,970 per year of which 6% is utilized for an administrative purposes. Local differentiation decisions resulted in public rates ranging from \$4,550 - \$4,630 per year and a private rate of \$4,630 per year.

4 Robeson County

Robeson County has a MAF market rate weight = 1.24 which is reflective of its child care subsidy market rate relative to other counties. Applying that weight to the MAF base supplement, each private care slot in Robeson generated another \$149 per slot. With 175 slots (33%) in the private sector, the Robeson funding allocation was increased by \$26,073. Robeson's MAF slot rate = \$5,010 per year of which 4% is utilized for administrative purposes. Local differentiation decisions resulted in public rates ranging from \$3,330 - \$4,800 per year and private rates ranging from \$4,445 - \$4,800 per year.

Summary

By utilizing a finding methodology that factored the relative wealth of each county as well as the child care subsidy market rate, the Office of School Readiness was able to direct more resources to those counties with a high percentage of private sector participation as well as to counties with higher child care subsidy market rates.

In the end, this methodology had a leveling effect on rates across the state.

2007-08

MAF funding per child (average across all counties) = \$4,450 with the lowest funded county at \$4,060 per child and the highest funded county at \$5,110 per child

2008-09

MAF funding per child (average across all counties) = \$5,000 with the lowest funded county at \$4,900 per child and the highest funded county at \$5,200 per child.

Based on action at the January meeting the State Board of Education recommends that the Office of School Readiness continue the employment of this funding methodology in an effort to support private sector participation in the More at Four program for the 2009-2010 program year.

OSR - More at Four Program 2008-2009

County	Monthly Rate	Annual Rate
Alamance	500	\$ 5,000.00
Alexander	500	\$ 5,000.00
Alleghany	492	\$ 4,920.00
Anson	500	\$ 5,000.00
Ashe	499	\$ 4,990.00
Avery	492	\$ 4,920.00
Beaufort	502	\$ 5,020.00
Bertie	503	\$ 5,030.00
Bladen	498	\$ 4,980.00
Brunswick	502	\$ 5,020.00
Buncombe	501	\$ 5,010.00
Burke	497	\$ 4,970.00
Cabarrus	501	\$ 5,010.00
Caldwell	499	\$ 4,990.00
Camden	519	\$ 5,190.00
Carteret	500	\$ 5,000.00
Caswell	495	\$ 4,950.00
Catawba	495	\$ 4,950.00
Chatham	497	\$ 4,970.00
Cherokee	498	\$ 4,980.00
Chowan	494	\$ 4,940.00
Clay	498	\$ 4,980.00
Cleveland	501	\$ 5,010.00
Columbus	497	\$ 4,970.00
Craven	501	\$ 5,010.00
Cumberland	507	\$ 5,070.00
Currituck	492	\$ 4,920.00
Dare	490	\$ 4,900.00
Davidson	508	\$ 5,080.00
Davie	495	\$ 4,950.00
Duplin	500	\$ 5,000.00
Durham	515	\$ 5,150.00
Edgecombe	501	\$ 5,010.00

County	Monthly Rate	Annual Rate
Forsyth	498	\$ 4,980.00
Franklin	511	\$ 5,110.00
Gaston	502	\$ 5,020.00
Gates	496	\$ 4,960.00
Graham	498	\$ 4,980.00
Granville	495	\$ 4,950.00
Greene	504	\$ 5,040.00
Guilford	498	\$ 4,980.00
Halifax	495	\$ 4,950.00
Harnett	520	\$ 5,200.00
Haywood	498	\$ 4,980.00
Henderson	496	\$ 4,960.00
Hertford	495	\$ 4,950.00
Hoke	516	\$ 5,160.00
Hyde	492	\$ 4,920.00
Iredell	518	\$ 5,180.00
Jackson	498	\$ 4,980.00
Johnston	515	\$ 5,150.00
Jones	494	\$ 4,940.00
Lee	508	\$ 5,080.00
Lenoir	505	\$ 5,050.00
Lincoln	498	\$ 4,980.00
Macon	498	\$ 4,980.00
Madison	494	\$ 4,940.00
Martin	494	\$ 4,940.00
McDowell	498	\$ 4,980.00
Mecklenburg	509	\$ 5,090.00
Mitchell	494	\$ 4,940.00
Montgomery	499	\$ 4,990.00
Moore	492	\$ 4,920.00
Nash	497	\$ 4,970.00
New Hanover	498	\$ 4,980.00
Northampton	496	\$ 4,960.00
Onslow	508	\$ 5,080.00
Orange	500	\$ 5,000.00

County	Monthly Rate	Annual Rate
Pamlico	492	\$ 4,920.00
Pasquotank	496	\$ 4,960.00
Pender	497	\$ 4,970.00
Perquimans	494	\$ 4,940.00
Person	496	\$ 4,960.00
Pitt	500	\$ 5,000.00
Polk	492	\$ 4,920.00
Randolph	495	\$ 4,950.00
Richmond	495	\$ 4,950.00
Robeson	501	\$ 5,010.00
Rockingham	504	\$ 5,040.00
Rowan	502	\$ 5,020.00
Rutherford	503	\$ 5,030.00
Sampson	501	\$ 5,010.00
Scotland	507	\$ 5,070.00
Stanly	502	\$ 5,020.00
Stokes	503	\$ 5,030.00
Surry	496	\$ 4,960.00
Swain	498	\$ 4,980.00
Transylvania	492	\$ 4,920.00
Tyrrell	494	\$ 4,940.00
Union	499	\$ 4,990.00
Vance	495	\$ 4,950.00
Wake	515	\$ 5,150.00
Warren	495	\$ 4,950.00
Washington	495	\$ 4,950.00
Watauga	494	\$ 4,940.00
Wayne	507	\$ 5,070.00
Wilkes	496	\$ 4,960.00
Wilson	516	\$ 5,160.00
Yadkin	495	\$ 4,950.00
Yancey	497	\$ 4,970.00